

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director



GARY R. HERBERT Lieutenant Governor

September 9, 2005

CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 3226

Mark Dotson Western Utah Copper Company 1208 South 200 West P.O. Box 492 Milford, Utah 84751

Subject: <u>Second Review of Notice of Intention to Commence Large Mining</u>
<u>Operations, Western Utah Copper Company, WUCC-Palladon Mine,</u>

M/001/067, Beaver County, Utah

Dear Mr. Dotson:

The Division has completed a review of your response received August 9, 2005, to our initial technical review which was sent to you June 23, 2005, for the WUCC-Palladon Copper Mine. After reviewing the information, the Division has a few remaining comments which need to be addressed before tentative approval may be granted.

The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion. Please address only those items requested in the attached technical review by using redline and strikeout text. When these items are sufficiently addressed, we will be prepared to issue tentative approval which requires publication in the local area newspapers for a 30-day public comment period. If no substantive comments are received, we will then be prepared to issue final approval, provided the surety and Reclamation Contract are finalized (if any adjustment is required from the already posted \$100,000).

The Division will suspend further review of the WUCC-Palladon Mine Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me, Tom Munson, Paul Baker or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to discuss this



Mark Dotson Page 2 of 4 M/001/067 September 9, 2005

review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

Susan M. White

Mine Program Coordinator Minerals Regulatory Program

SMW:TM:jb

Attachment: Review

emailed copy - JBR Consultants

O:\M001-Beaver\M0010067-WUCC\draft\LMO-2nd-REVIEW.doc

SECOND REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Western Utah Copper Company WUCC-Palladon Mine

M/001/067 September 8, 2005

R647-4-105 - Maps, Drawings & Photographs

105.2 Surface facilities map

The plan has been changed to allow for tailings to be deposited in an area below the concentrator site. None of the maps contained in the plan have an area marked as tailings disposal area. The map showing the tailings area should include details such as the location of: the tailings, earthen berm, the two observation ditches, showing the entire length of the ditch draining into the pond excavations, location of the overland water interception ditch (show where the water will be diverted to). (DJ)

R647-4-106 - Operation Plan

- 106.2 Type of operations conducted, mining method, processing etc.

 The plan states that the waste material will be used to stabilize and cover the tailings during and after operations.

 Where will this waste material be removed from? (DJ)
- 106.3 Estimated acreages disturbed, reclaimed, annually.

 The plan states that if seepage is noted from the tailings pile, it will be monitored.

 The plan should include a commitment to sample and analyze the seepage. (DJ)
- 106.6 Plan for protecting & redepositing soils

 The Division recommends the following seed mix for interim revegetation:

Species	Pounds pure Live Seed/Acre
Hycrest Crested Wheatgrass	7
Russian Wild Rye	4
Thickspike Wheatgrass	3
Forage Kochia	1

Will soil salvaged from the processing facilities area be stored in the soil stockpile at the tailings disposal area? If not, please show the location of the stockpile that will be used for reclamation of this area? (PBB)

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R647-4-110 - Reclamation Plan

110.5 Revegetation planting program

The Division may have recommended the seed mix in the plan, but it offers a few suggestions. Orchard grass is unlikely to grow in this area; bottlebrush squirreltail would be a good substitute. Alfalfa and small burnet could be eliminated from the mix. The Division recommends adding "Hycrest" crested wheatgrass at a rate of about two pounds pure live seed per acre. (PBB)